

VZCZCXYZ0000
PP RUEHWEB

DE RUEHPG #0663/01 1661623
ZNY SSSSS ZZH
P 151623Z JUN 06
FM AMEMBASSY PRAGUE
TO RUEHC/SECSTATE WASHDC PRIORITY 7499
INFO RUEHIL/AMEMBASSY ISLAMABAD 0209
RUEAIIA/CIA WASHDC
RUEKJCS/JOINT STAFF WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEHBS/USEU BRUSSELS
RUEHNO/USMISSION USNATO 1754
RUCNDT/USMISSION USUN NEW YORK 0160

S E C R E T PRAGUE 000663

SIPDIS

NOFORN
SIPDIS

EUR/NCE FOR FICHTE, PM/RSAT FOR DOWLEY

E.O. 12958: DECL: 06/14/2016
TAGS: [PGOV](#) [PREL](#) [ETTC](#) [KSTC](#) [PARM](#) [EZ](#) [PK](#)
SUBJECT: CZECHS TO LICENSE SALE OF FIVE PASSIVE
SURVEILLANCE SYSTEMS TO PAKISTAN

REF: A. IIR 6824 0069 06
[1](#)B. STATE 174893
[1](#)C. PRAGUE 473
[1](#)D. PRAGUE 544

Classified By: Charge Michael Dodman for reasons 1.4 (b) & (d)

[1](#)1. (S/NF) Summary: The GOCR is about to license the export of five ASDD-01 passive detection surveillance systems to Pakistan. The Czech MFA gave its approval to the deal June [1](#)14. They explained that after a year of discussions with the USG on exports of the system to Pakistan, they already understood our position on such a transfer: that the United States itself would not permit the export of this technology and would prefer that effective protective measures have been put in place to mitigate against unauthorized diversions of the technology to China. The Czechs have devised measures that they believe meet this standard. The Czech MFA maintains they will consult with the USG on future sales of passive surveillance technology. This is a major sale for ERA, the manufacturer of the VERA-E and the ASDD-01 systems, and it should reduce short-term political pressure for increased sales of this technology. End summary.

[1](#)2. (C/NF) Poloff met with Czech MFA Director for Common Foreign and Security Policy Petr Kaiser June 15. The meeting took place at Kaiser,s request. He said the MFA on June 14 had given its consent to the licensing of a sale of five ASDD-01 passive detection surveillance systems to Pakistan. Kaiser said that one system would be used for training, and four would be for normal use. When asked he clarified that all five would remain in Pakistan. The final license will be issued by the Ministry of Industry and Trade.

[1](#)3. (S/NF) Kaiser emphasized the conditions under which the transfer would take place. The shipments would be monitored, there would be documentary requirements that the equipment would not be diverted or re-exported, and the equipment would be subject to inspection visits by Czech authorities for a period of two years. Kaiser also shared that there were other elements of verification that involved the Czech intelligence services. While he could not divulge details of these covert plans he had no objection to the U.S. attempting to obtain these details through intel channels.

[1](#)4. (S/NF) Explaining why the MFA had approved this particular sale without renewing discussions with the United States,

Kaiser explained that in the first instance, USG views were already well known based on the protracted review of the Czechs's late 2004 request related to the planned sale of a single unit to Pakistan. Noting that the formulation of the USG position on that sale had taken almost a year, Kaiser explained that the current deal was time-sensitive because it was tied to the Pakistani Air Force's budget cycle, which would close at the end of June. (Note: Post had heard of this Pakistani budgeting constraint from a different source. Ref A). Kaiser said under such circumstances his office simply did not have enough political capital to pause the process and endanger the sale for an additional consultation with the United States on a destination country that had already been discussed at length. Kaiser also said that the recent loan of a system to Pakistan (Ref B) had also been subject to several overt, and other, checks, and had passed them all. That process had been costly, but had gone some way towards validating the process.

¶5. (S/NF) Poloff asked whether the GOCR was considering any changes in its practice of consulting with the United States on Czech exports of passive surveillance technology. Kaiser insisted that the Ministry of Foreign Affairs would consult with the U.S. on every future sale, and commented that the history of these voluntary consultations that had continued despite significant financial cost to Czech business due to U.S. objections to certain exports. Kaiser hinted that there could be a discussion coming on possible exports to Malaysia.

¶6. (S/NF) Comment: Kaiser, who has a strong multi-year record of advocating the U.S. position in arms export cases, will leave his position for a posting in New York at the end of June. His replacement, Vaclav Balek, Deputy Director in the MFA's Security Policy Department, is a strong supporter of

U.S. positions within the Czech interagency process. He is well known to the Embassy and we believe him to be one of the best possible choices to continue Czech consultations with the U.S. on sensitive exports.

¶7. (S/NF) This is the first major multi-unit sale of such technology for ERA. This may relieve some of the financial pressure on the military arm of ERA, with a similar reduction in short-term political pressure within the Czech interagency process to authorize more VERA sales.

¶8. (S/NF) After this latest development we consider the consultative mechanism on such exports to be alive, if not entirely well. There are no indications that the Czechs are planning to change their policies, whatever the outcome of the ongoing negotiations on the future composition of the Czech government. A consultation on Malaysia, if it comes, will be an excellent opportunity to demonstrate U.S. commitment to effectively engaging in this process. End comment.
DODMAN